



PayPal Poses Greater Threat to Banks Than Amazon

09 August 2018 By: Emmett Higdon

Since 2011, Javelin has been tracking consumers' perceptions of the "Gang of Five" — Apple, Google, Amazon, PayPal, and Facebook — and how these technology companies compare in terms of trust, innovation, and privacy (TIP). While tech firms have gained ground in the level of trust that consumers have in them, a new partnership measure in Javelin's TIP model suggests that banks may have less to fear from fintech disintermediation. PayPal's strong performance across all three TIP metrics, however, indicates that worries over Amazon's possible financial services moves may be misplaced.

Key questions discussed in this report:

- Which tech firms do consumers trust most to safeguard their personal and financial data in the digital channels?
- How does this level of trust compare with the faith that consumers place in their primary financial institutions?
- Do consumers believe tech companies are acting in the best interest of their customers?
- How likely would Gang of Five customers be to switch accounts away from their primary financial institution if similar products and services were offered by the tech company?

Companies Mentioned: Acorns, Amazon, Apple, Bancorp Bank, Bank of America, Capital One, Citibank, Comenity Capital Bank, Facebook, First Century Bank, Google, Instagram, Intuit, JPMorgan Chase, Mastercard, PayPal, SoFi, Synchrony, U.S. Bank, Visa, Walmart, Wells Fargo, Whole Foods, Xoom

The consumer data in this report is based on information collected from a Javelin survey that targeted populations representative of the overall U.S. population in proportions of gender, age, and income:

- A random-sample panel of 10,375 respondents collected online during June 2018. The overall margin of sampling error is +0.96 percentage points at the 95% confidence level.
- A random-sample panel of 2,129 respondents collected online during December 2017. The overall margin of sampling error is +2.12 percentage points at the 95% confidence level

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